

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 2, between lines 20 and 21, begin a new paragraph and insert:
- 2 "SECTION 3. IC 5-10-8-8.5 IS ADDED TO THE INDIANA
- 3 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2006]: Sec. 8.5. (a) As used in this section,
- 5 "retired state employee" refers to a retired state employee:
- 6 (1) whose retirement date is after June 30, 2006, and before
- 7 July 1, 2012;
- 8 (2) who is eligible for normal retirement under a public
- 9 pension fund because, on the date of retirement:
- 10 (A) the retired state employee's age in years plus the
- 11 retired state employee's years of service is equal to at least
- 12 eighty-five (85); and
- 13 (B) the retired state employee is at least fifty-five (55) years
- 14 of age;
- 15 (3) who is not eligible on the date of retirement for Medicare
- 16 coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- 17 (4) who is not an officer or agent eligible to participate in a
- 18 plan under section 6 of this chapter.
- 19 (b) The state shall provide to a retired state employee a group
- 20 health insurance program equal to the group health insurance
- 21 program offered to active state employees, except that the plan
- 22 offered under this subsection covers only the:
- 23 (1) retired state employee; and
- 24 (2) spouse of the retired state employee.
- 25 However, the plan offered under this subsection does not cover the
- 26 spouse of a retired state employee for any period that the spouse
- 27 is eligible for health care benefits from the spouse's employer or
- 28 from Medicare.
- 29 (c) A retired state employee and, subject to subsection (b), the
- 30 retired state employee's spouse may participate in the group health

1 insurance program under subsection (b) if the retired state
2 employee:

3 (1) pays an amount equal to one hundred fifty percent (150%)
4 of the employee's premium for the group health insurance for
5 an active state employee; and

6 (2) within ninety (90) days after the employee's retirement
7 date files a written request for group health insurance
8 coverage with the state employer.

9 (d) A retired state employee's eligibility to continue group
10 health insurance coverage under this section ends when the:

11 (1) retired state employee becomes eligible for Medicare as
12 prescribed by 42 U.S.C. 1395 et seq.; or

13 (2) state employer terminates the group health insurance
14 program.

15 (e) Subject to subsection (b), eligibility of a retired state
16 employee's spouse to continue group health insurance coverage
17 under this section is unaffected by the retired state employee's
18 death if the spouse pays the amount the retired state employee
19 would have been required to pay for the spouse's group health
20 insurance coverage under this section. The surviving spouse's
21 eligibility ends on the earliest of the following:

22 (1) When the surviving spouse becomes eligible for Medicare
23 as prescribed by 42 U.S.C. 1395 et seq.

24 (2) When the state employer terminates the group health
25 insurance program.

26 (3) Two (2) years after the date of the retired state employee's
27 death.

28 (4) The date of the surviving spouse's remarriage.

29 SECTION 4. IC 5-10.3-8-14, AS ADDED BY P.L.220-2005,
30 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2006]: Sec. 14. (a) This section applies to employees of the
32 state (as defined in IC 5-10.3-7-1(d)) who are members of the fund.

33 (b) The board shall adopt provisions to establish a retirement
34 medical benefits account within the fund under Section 401(h) or as a
35 separate fund under another applicable section of the Internal Revenue
36 Code for the purpose of converting unused excess accrued leave to a
37 monetary contribution for an employee of the state to fund on a pretax
38 basis benefits for sickness, accident, hospitalization, and medical
39 expenses for the employee and the spouse and dependents of the
40 employee after the employee's retirement.

41 (c) The board is the trustee of the account described in subsection
42 (b). The account must be qualified, as determined by the Internal
43 Revenue Service, as a separate account within the fund whose benefits
44 are subordinate to the retirement benefits provided by the fund.

45 (d) The board may adopt rules under IC 5-10.3-3-8 that it considers
46 appropriate or necessary to implement this section after consulting with

the state personnel department. The rules adopted by the board under this section must:

(1) be consistent with the federal and state law that applies to:

(A) the account described in subsection (b); and

(B) the fund; and

(2) include provisions concerning:

(A) the type and amount of leave that may be converted to a monetary contribution;

(B) the conversion formula for valuing any leave that is converted;

(C) the manner of employee selection of leave conversion; and

(D) the vesting schedule for any leave that is converted.

(e) The board may adopt the following:

(1) Account provisions governing:

(A) the investment of amounts in the account; and

(B) the accounting for converted leave.

(2) Any other provisions that are necessary or appropriate for operation of the account.

(f) The account described in subsection (b) may be implemented only if the board has received from the Internal Revenue Service any rulings or determination letters that the board considers necessary or appropriate.

(g) To the extent allowed by:

(1) the Internal Revenue Code; and

(2) rules adopted by:

(A) the board under this section; and

(B) the state personnel department under IC 5-10-1.1-7.5;

employees of the state may convert unused excess accrued leave to a monetary contribution under this section and under IC 5-10-1.1-7.5.

(h) To the extent allowed by federal law, the state may establish a program under which the state or state employees may make additional monetary contributions to an account established under subsection (b) or another health care account established to pay insurance premiums or health care costs.

SECTION 5. IC 5-22-10-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) This section applies to the purchase of supplies by the Indiana stadium and convention building authority created by IC 5-1-17-6.**

(b) A purchasing agent may award a contract for supplies and for the installation of supplies described in subsection (a) when there is only one (1) source for the supplies and the purchasing agent determines in writing that:

(1) the sole source is:

(A) integral to the design of a project; or

(B) sufficiently unique or specialized; and

- (2) alternative supplies:
 (A) are not available;
 (B) present design problems;
 (C) present warranty issues; or
 (D) diminish the desired result."

Page 3, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 7. IC 6-1.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in subsections (b) and (d), **and subject to subsection (h)**, a taxpayer shall, on or before the filing date of each year, file a personal property return with the assessor of each township in which the taxpayer's personal property is subject to assessment.

(b) The township assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:

- (1) the taxpayer submits a written application for an extension prior to the filing date; and
- (2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.

(c) If the sum of the assessed values reported by a taxpayer on the business personal property returns which the taxpayer files with the township assessor for a year exceeds one hundred fifty thousand dollars (\$150,000), the taxpayer shall file each of the returns in duplicate.

(d) A taxpayer may file a consolidated return with the county assessor if the taxpayer has personal property subject to assessment in more than one (1) township in a county and the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000). A taxpayer filing a consolidated return shall attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A taxpayer filing a consolidated return shall provide the following:

- (1) The county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.
- (2) A copy of the consolidated return, with attachments, for each township listed on the return.

(e) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:

- (1) May 25 of each year, for a return filed on or before the filing date for the return; or

1 (2) June 30 of each year, for a return filed after the filing date for
2 the return.

3 (f) The township assessor shall send all required notifications to the
4 taxpayer.

5 (g) The county assessor may refuse to accept a consolidated personal
6 property tax return that does not have attached to it a schedule listing,
7 by township, all the personal property of the taxpayer and the assessed
8 value of the property as required under subsection (d). For purposes of
9 IC 6-1.1-37-7, a consolidated return is filed on the date it is filed with
10 the county assessor with the schedule of personal property and assessed
11 value attached.

12 **(h) A taxpayer that:**

13 **(1) does not have personal property subject to assessment in**
14 **a township; and**

15 **(2) would, if the taxpayer had personal property subject to**
16 **assessment in the township, be required to report information**
17 **under section 9(b) of this chapter in the township;**

18 **shall file a return for the township under subsection (a) for the sole**
19 **purpose of reporting information under section 9(b) of this**
20 **chapter.**

21 SECTION 8. IC 6-1.1-3-9 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) In
23 completing a personal property return for a year, a taxpayer shall make
24 a complete disclosure of:

25 **(1) all information required by the department of local government**
26 **finance that is related to the value, nature, or location of personal**
27 **property:**

28 ~~(1)~~ **(A) that the taxpayer owned on the assessment date of that**
29 **year; or**

30 ~~(2)~~ **(B) that the taxpayer held, possessed, or controlled on the**
31 **assessment date of that year; and**

32 **(2) the information required under subsection (b) related to**
33 **real property.**

34 **(b) A taxpayer shall:**

35 **(1) indicate on a personal property return for a year whether**
36 **the taxpayer:**

37 **(A) is a C corporation (as defined in IC 6-1.1-21-2(p)) that**
38 **owned; or**

39 **(B) is indirectly liable (as defined in IC 6-1.1-21-2(q)) for**
40 **property taxes with respect to;**

41 **real property on the assessment date of that year; and**

42 **(2) identify on the personal property return by parcel number**
43 **or key number any real property referred to in subdivision**

44 **(1).**

45 ~~(b)~~ **(c) The taxpayer shall certify to the truth of:**

46 **(1) all information appearing in a personal property return; and**

(2) all data accompanying the return.

SECTION 9. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) **Except as provided in subsection (b)**, on or before June 1 of each year, each township assessor of a county shall deliver to the county assessor:

(1) a list ~~which~~ **that** states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year; and

(2) **a list by taxpayer of parcel numbers or key numbers reported on personal property returns for that year under section 9(b) of this chapter.**

(b) In a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists **referred to in subsection (a)** to the county auditor. ~~as prescribed in subsection (b):~~

~~(b)~~ (c) On or before July 1 of each year, each county assessor shall certify to the county auditor:

(1) the ~~assessment~~ **assessed** value of the personal property in every taxing district; **and**

(2) **the information delivered to the county assessor for that year under subsection (a)(2) for all townships in the county.**

(d) **As soon as practicable after receipt of amended personal property returns filed under section 7.5 of this chapter:**

(1) **each township assessor of a county shall deliver to the county assessor lists of the information required under subsection (a); and**

(2) **each county assessor shall certify to the county auditor the information required under subsection (c);**

included in the amended returns.

~~(c)~~ (e) The department of local government finance shall prescribe the forms required by this section."

Page 7, line 20, after "acquires" insert **"in an arms length transaction from an entity that is not an affiliate of the deduction applicant"**.

Page 8, line 40, after "acquires" insert **"in an arms length transaction from an entity that is not an affiliate of the deduction applicant"**.

Page 9, line 25, after "applicant" insert **"acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant and"**.

Page 10, line 2, strike "and".

Page 10, between lines 2 and 3, begin a new line double block indented and insert:

"(C) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant; and".

1 Page 10, line 3, strike "(C)".

2 Page 10, line 3, after "was" insert "(D)".

3 Page 10, between lines 7 and 8, begin a new line block indented and
4 insert:

5 **"(16) "Affiliate" means an entity that effectively controls or is**
6 **controlled by a deduction applicant or is associated with a**
7 **deduction applicant under common ownership or control,**
8 **whether by shareholdings or other means.**

9 SECTION 14. IC 6-1.1-18-12, AS AMENDED BY P.L.1-2005,
10 SECTION 87, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) For purposes of this
12 section, "maximum rate" refers to the maximum:

13 (1) property tax rate or rates; or

14 (2) special benefits tax rate or rates;

15 referred to in the statutes listed in subsection (d).

16 (b) The maximum rate for taxes first due and payable after 2003 is
17 the maximum rate that would have been determined under subsection
18 (e) for taxes first due and payable in 2003 if subsection (e) had applied
19 for taxes first due and payable in 2003.

20 (c) The maximum rate must be adjusted:

21 (1) each time an annual adjustment of the assessed value of real
22 property takes effect under IC 6-1.1-4-4.5; and

23 (2) each time a general reassessment of real property takes effect
24 under IC 6-1.1-4-4.

25 (d) The statutes to which subsection (a) refers are:

26 (1) IC 8-10-5-17;

27 (2) IC 8-22-3-11;

28 (3) IC 8-22-3-25;

29 (4) IC 12-29-1-1;

30 (5) IC 12-29-1-2;

31 (6) IC 12-29-1-3;

32 (7) IC 12-29-3-6;

33 (8) IC 13-21-3-12;

34 (9) IC 13-21-3-15;

35 (10) IC 14-27-6-30;

36 (11) IC 14-33-7-3;

37 (12) IC 14-33-21-5;

38 (13) IC 15-1-6-2;

39 (14) IC 15-1-8-1;

40 (15) IC 15-1-8-2;

41 (16) IC 16-20-2-18;

42 (17) IC 16-20-4-27;

43 (18) IC 16-20-7-2;

44 (19) IC 16-23-1-29;

45 (20) IC 16-23-3-6;

46 (21) IC 16-23-4-2;

- 1 (22) IC 16-23-5-6;
- 2 (23) IC 16-23-7-2;
- 3 (24) IC 16-23-8-2;
- 4 (25) IC 16-23-9-2;
- 5 (26) IC 16-41-15-5;
- 6 (27) IC 16-41-33-4;
- 7 (28) IC 20-26-8-4;
- 8 (29) IC 21-1-11-3;
- 9 **(30) IC 21-2-15-11;**
- 10 ~~(30)~~ **(31)** IC 21-2-17-2;
- 11 ~~(31)~~ **(32)** IC 23-13-17-1;
- 12 ~~(32)~~ **(33)** IC 23-14-66-2;
- 13 ~~(33)~~ **(34)** IC 23-14-67-3;
- 14 ~~(34)~~ **(35)** IC 36-7-13-4;
- 15 ~~(35)~~ **(36)** IC 36-7-14-28;
- 16 ~~(36)~~ **(37)** IC 36-7-15.1-16;
- 17 ~~(37)~~ **(38)** IC 36-8-19-8.5;
- 18 ~~(43)~~ ~~(38)~~ **(39)** IC 36-9-6.1-2;
- 19 ~~(44)~~ ~~(39)~~ **(40)** IC 36-9-17.5-4;
- 20 ~~(45)~~ ~~(40)~~ **(41)** IC 36-9-27-73;
- 21 ~~(46)~~ ~~(41)~~ **(42)** IC 36-9-29-31;
- 22 ~~(47)~~ ~~(42)~~ **(43)** IC 36-9-29.1-15;
- 23 ~~(48)~~ ~~(43)~~ **(44)** IC 36-10-6-2;
- 24 ~~(49)~~ ~~(44)~~ **(45)** IC 36-10-7-7;
- 25 ~~(50)~~ ~~(45)~~ **(46)** IC 36-10-7-8;
- 26 ~~(51)~~ ~~(46)~~ **(47)** IC 36-10-7.5-19;
- 27 ~~(47)~~ **(48)** IC 36-10-13-5;
- 28 ~~(48)~~ **(49)** IC 36-10-13-7;
- 29 ~~(49)~~ **(50)** IC 36-12-7-7;
- 30 ~~(50)~~ **(51)** IC 36-12-7-8;
- 31 ~~(51)~~ **(52)** IC 36-12-12-10; and
- 32 ~~(52)~~ **(53)** any statute enacted after December 31, 2003, that:
- 33 (A) establishes a maximum rate for any part of the:
- 34 (i) property taxes; or
- 35 (ii) special benefits taxes;
- 36 imposed by a political subdivision; and
- 37 (B) does not exempt the maximum rate from the adjustment
- 38 under this section.
- 39 (e) The new maximum rate under a statute listed in subsection (d) is
- 40 the tax rate determined under STEP SEVEN of the following STEPS:
- 41 STEP ONE: Determine the maximum rate for the political
- 42 subdivision levying a property tax or special benefits tax under the
- 43 statute for the year preceding the year in which the annual
- 44 adjustment or general reassessment takes effect.
- 45 STEP TWO: Determine the actual percentage increase (rounded

to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).".

Page 10, line 29, strike "(except as necessary to explain the project to the".

Page 10, line 30, strike "public)".

Page 10, line 38, delete "." and insert ", or otherwise compelling an employee to promote a position on the petition or remonstrance at any time.".

Page 11, between lines 13 and 14, begin a new paragraph and insert:

"(d) A person or an organization that has a contract or arrangement (whether formal or informal) with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on the petition or remonstrance. A person or an organization that violates this subsection commits a Class A infraction.

(e) An attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project may not spend any money to promote a position on the petition or remonstrance. A person who violates this subsection:

(1) commits a Class A infraction; and

(2) is barred from performing any services with respect to the controlled project.

SECTION 17. IC 6-1.1-20-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) This section applies to the determination of the validity of a signature on a document required for a petition and remonstrance procedure under this chapter.

(b) If:

(1) the validity of a signature is uncertain; and

(2) this section does not establish a standard to be applied in that case;

a reasonable doubt must be resolved in favor of the validity of the signature.

(c) Whenever the name of an individual, as printed or signed, contains a minor variation from the name of the individual as set forth in the relevant county records, the signature is considered valid.

(d) Whenever the residence address or mailing address of an individual contains a minor variation from the residence address or mailing address as set forth in the relevant county records, the signature is considered valid.

(e) Notwithstanding subsection (c) or (d), if the residence address or mailing address of an individual contains a substantial variation from the residence address or mailing address as set forth in the relevant county records, the signature is considered invalid.

(f) If the signature of an individual does not substantially conform with the signature of the individual in the relevant county records, the signature is considered invalid. In determining whether a signature substantially conforms with an individual's in the relevant county records, consideration shall be given to whether that lack of conformity may reasonably be attributed to the age, disability, or impairment of the individual."

Page 18, line 38, after "is" insert "directly or indirectly".

Page 19, line 1, after "is" insert "directly or indirectly".

Page 19, line 39, after "is" insert "directly or indirectly".

Page 20, line 3, after "is" insert "directly or indirectly".

Page 20, between lines 28 and 29, begin a new paragraph and insert:

"(q) "Indirectly liable" means that at least fifty percent (50%) of any combination of the book value and control of a taxpayer that is liable for property taxes on tangible property is directly or indirectly owned or controlled by one (1) or more C corporations. However, in determining the ownership of an entity in a chain of ownership of a taxpayer, the publicly traded shares or ownership units of an entity shall be treated as not owned by a C corporation."

Page 30, between lines 1 and 2, begin a new paragraph and insert:
 "SECTION 31. IC 6-1.1-40-1.5 IS ADDED TO THE INDIANA
 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 1.5. As
 used in this chapter, "affiliate" means an entity that effectively
 controls or is controlled by an applicant for a deduction under this
 chapter or is associated with an applicant for a deduction under
 this chapter under common ownership or control, whether by
 shareholdings or other means."**

Page 30, line 11, after "acquires" insert **"in an arms length
 transaction from an entity that is not an affiliate of the applicant"**.

Page 33, line 4, delete "or under section 9(b) of this chapter".

Page 53, delete lines 37 through 42.

Page 54, delete lines 1 through 11.

Page 54, line 12, delete "(3)" and insert **"(2)"**.

Page 54, line 23, delete "(4)" and insert **"(3)"**.

Page 54, delete lines 26 through 42.

Page 55, delete lines 1 through 6.

Page 55, line 7, delete "(7)" and insert **"(4)"**.

Page 55, between lines 18 and 19, begin a new paragraph and insert:
 "SECTION 44. IC 6-3-4-1.5 IS ADDED TO THE INDIANA
 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. A C corporation (as
 defined in IC 6-1.1-21-2(p)) shall:**

**(1) indicate on a return required under section 1 of this
 chapter whether the C corporation owned real property on
 the assessment date (as defined in IC 6-1.1-1-2) in the taxable
 year for which the return is filed; and**

**(2) identify on the return by parcel number or key number
 any real property referred to in subdivision (1)."**

Page 60, delete lines 8 through 42, begin a new paragraph and insert:
 "(b) The county council may, by ordinance, determine that additional
 county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:

(A) jail facilities;

(B) juvenile court, detention, and probation facilities;

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

located in the county, including costs related to the demolition of
 existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes
 described in subdivision (1).

**(c) The county council may, by ordinance, determine that
 additional county adjusted gross income tax revenue is needed in
 the county to operate or maintain any of the facilities described in
 subsection (b)(1)(A) through (b)(1)(D) that are located in the**

county. The county council may make a determination under both this subsection and subsection (b).

~~(c)~~ **(d)** In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);
- (2) two-tenths percent (0.2%); or
- (3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes ~~the a~~ finding and determination set forth in subsection (b) **or (c). The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.**

(e) If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

- (1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and**
- (2) all bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;**

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities described in subsection (b)(1)(A).

(f) The tax imposed under this section may be imposed only until the later of the date on which:

- (1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; or**
- (2) the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid; or**
- (3) an ordinance adopted under subsection (c) is rescinded.**

(g) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

~~(d)~~ **(h)** If the county council makes a determination under subsection (b); the county council may adopt a tax rate under subsection (c). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of carrying out the purposes described in subsection (b)(1).

~~(e)~~ **(h)** The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the

1 tax rate imposed under this section shall be deposited in the criminal
 2 justice facilities revenue fund before making a certified distribution
 3 under section 11 of this chapter.

4 ~~(f)~~ (i) County adjusted gross income tax revenues derived from the
 5 tax rate imposed under this section:

6 (1) may be used only for the purposes described in this section;

7 (2) may not be considered by the department of local government
 8 finance in determining the county's maximum permissible property
 9 tax levy limit under IC 6-1.1-18.5; and

10 (3) may be pledged to the repayment of bonds issued or leases
 11 entered into for any or all the purposes described in subsection (b).

12 ~~(g)~~ (j) Notwithstanding any other law, ~~funds accumulated from the~~
 13 ~~county adjusted gross income tax imposed under this section after:~~

14 ~~(1) the completion of the financing, construction, acquisition,~~
 15 ~~improvement, renovation, and equipping described in subsection~~
 16 ~~(b);~~

17 ~~(2) the payment or provision for payment of all the costs for~~
 18 ~~activities described in subdivision (1);~~

19 ~~(3) the redemption of bonds issued; and~~

20 ~~(4) the final payment of lease rentals due under a lease entered into~~
 21 ~~under this section;~~

22 **money remaining in the criminal justice facilities revenue fund**
 23 **established under subsection (h) after the tax imposed by this**
 24 **section is terminated under subsection (f)** shall be transferred to the
 25 county highway fund to be used for construction, resurfacing,
 26 restoration, and rehabilitation of county highways, roads, and bridges.

27 SECTION 49. IC 6-3.5-1.1-10 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as
 29 provided in subsection (b), one-half (1/2) of each adopting county's
 30 certified distribution for a calendar year shall be distributed from its
 31 account established under section 8 of this chapter to the appropriate
 32 county treasurer on May 1 and the other one-half (1/2) on November 1
 33 of that calendar year.

34 (b) This subsection applies to a county having a population of more
 35 than one hundred forty-five thousand (145,000) but less than one
 36 hundred forty-eight thousand (148,000). Notwithstanding section 9 of
 37 this chapter, the initial certified distribution certified for a county under
 38 section 9 of this chapter shall be distributed to the county treasurer from
 39 the account established for the county under section 8 of this chapter
 40 according to the following schedule during the eighteen (18) month
 41 period beginning on July 1 of the year in which the county initially
 42 adopts an ordinance under section 2 of this chapter:

43 (1) One-fourth (1/4) on October 1 of the year in which the
 44 ordinance was adopted.

45 (2) One-fourth (1/4) on January 1 of the calendar year following
 46 the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, or equipping, **operating, or maintaining** facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; or

(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. Except as provided by subsection (b), the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 50. IC 6-3.5-1.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, or equipping, **operating, or maintaining** facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; or

(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

COUNTY	PROPERTY TAX	
	REPLACEMENT CREDITS	CERTIFIED SHARES
ADJUSTED GROSS INCOME TAX RATE		
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 51. IC 6-3.5-6-29 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 29. (a) This section applies**

only to Scott County. Scott County is a county in which:

(1) maintaining low property tax rates is essential to economic development; and

(2) the use of additional county option income tax revenues as provided in this section, rather than the use of property taxes, to fund:

(A) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A), except operation or maintenance;

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1), except operation or maintenance.

(d) If the county fiscal body makes a determination under subsection (c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section.

County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

(g) If the county imposes an additional tax rate under this section, the department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 52. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);

(2) two-tenths percent (0.2%);

(3) twenty-five hundredths percent (0.25%);

(4) three-tenths percent (0.3%);

- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), or (s), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), ~~or (t), or~~ **(u)**, the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:

- (A) fifteen-hundredths percent (0.15%);
- (B) two-tenths percent (0.2%); or
- (C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect

on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in

subsubsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27

of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%)."

Page 61, delete lines 1 through 33.

Page 62, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 53. IC 6-8.1-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

(1) members and employees of the department;

(2) the governor;

(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or

(4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

1 (b) The information described in subsection (a) may be revealed
 2 upon the receipt of a certified request of any designated officer of the
 3 state tax department of any other state, district, territory, or possession
 4 of the United States when:

5 (1) the state, district, territory, or possession permits the exchange
 6 of like information with the taxing officials of the state; and

7 (2) it is agreed that the information is to be confidential and to be
 8 used solely for tax collection purposes.

9 (c) The information described in subsection (a) relating to a person
 10 on public welfare or a person who has made application for public
 11 welfare may be revealed to the director of the division of family and
 12 children, and to any county director of family and children located in
 13 Indiana, upon receipt of a written request from either director for the
 14 information. The information shall be treated as confidential by the
 15 directors. In addition, the information described in subsection (a)
 16 relating to a person who has been designated as an absent parent by the
 17 state Title IV-D agency shall be made available to the state Title IV-D
 18 agency upon request. The information shall be subject to the
 19 information safeguarding provisions of the state and federal Title IV-D
 20 programs.

21 (d) The name, address, Social Security number, and place of
 22 employment relating to any individual who is delinquent in paying
 23 educational loans owed to an institution of higher education may be
 24 revealed to that institution if it provides proof to the department that the
 25 individual is delinquent in paying for educational loans. This
 26 information shall be provided free of charge to approved institutions of
 27 higher learning (as defined by IC 20-12-21-3(2)). The department shall
 28 establish fees that all other institutions must pay to the department to
 29 obtain information under this subsection. However, these fees may not
 30 exceed the department's administrative costs in providing the
 31 information to the institution.

32 (e) The information described in subsection (a) relating to reports
 33 submitted under IC 6-6-1.1-502 concerning the number of gallons of
 34 gasoline sold by a distributor, and IC 6-6-2.5 concerning the number of
 35 gallons of special fuel sold by a supplier and the number of gallons of
 36 special fuel exported by a licensed exporter or imported by a licensed
 37 transporter may be released by the commissioner upon receipt of a
 38 written request for the information.

39 (f) The information described in subsection (a) may be revealed upon
 40 the receipt of a written request from the administrative head of a state
 41 agency of Indiana when:

42 (1) the state agency shows an official need for the information;
 43 and

44 (2) the administrative head of the state agency agrees that any
 45 information released will be kept confidential and will be used
 46 solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(h) may be released solely for tax collection purposes to township assessors.

(h) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(j) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(l) This section does not apply to:

- (1) the beer excise tax (IC 7.1-4-2);
- (2) the liquor excise tax (IC 7.1-4-3);
- (3) the wine excise tax (IC 7.1-4-4);
- (4) the hard cider excise tax (IC 7.1-4-4.5);
- (5) the malt excise tax (IC 7.1-4-5);
- (6) the motor vehicle excise tax (IC 6-6-5);
- (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- (8) the fees under IC 13-23.

(m) The name and business address of retail merchants within each county that sell tobacco products may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.

(n) Information included in a return under IC 6-3-4-1.5 may be released to the county auditor of the county in which the real property referred to in that section is located."

Page 188, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 71. IC 21-2-15-11, AS AMENDED BY P.L.246-2005, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) Except as provided in **IC 6-1.1-18-12 and subsection (c); (b)**, to provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents

1 (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of
 2 the school corporation. This actual rate must be advertised in the same
 3 manner as other property tax rates.

4 (b) The maximum property tax rate levied by each school
 5 corporation must be adjusted each time a general reassessment of
 6 property takes effect. The adjusted property tax rate becomes the new
 7 maximum property tax rate for the levy for property taxes first due and
 8 payable in each year:

9 (1) after the general reassessment for which the adjustment was
 10 made takes effect; and

11 (2) before the next general reassessment takes effect.

12 (c) The new maximum rate under this section is the tax rate
 13 determined under STEP SEVEN of the following formula:

14 STEP ONE: Determine the maximum rate for the school
 15 corporation for the year preceding the year in which the general
 16 reassessment takes effect:

17 STEP TWO: Determine the actual percentage increase (rounded
 18 to the nearest one-hundredth percent (0.01%)) in the assessed
 19 value of the taxable property from the year preceding the year the
 20 general reassessment takes effect to the year that the general
 21 reassessment is effective:

22 STEP THREE: Determine the three (3) calendar years that
 23 immediately precede the ensuing calendar year and in which a
 24 statewide general reassessment of real property does not first
 25 become effective:

26 STEP FOUR: Compute separately, for each of the calendar years
 27 determined in STEP THREE, the actual percentage increase
 28 (rounded to the nearest one-hundredth percent (0.01%)) in the
 29 assessed value of the taxable property from the preceding year:

30 STEP FIVE: Divide the sum of the three (3) quotients computed
 31 in STEP FOUR by three (3):

32 STEP SIX: Determine the greater of the following:

33 (A) Zero (0):

34 (B) The result of the STEP TWO percentage minus the STEP
 35 FIVE percentage:

36 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 37 divided by the sum of one (1) plus the STEP SIX percentage
 38 increase:

39 (d) The department of local government finance shall compute the
 40 maximum rate allowed under subsection (c) and provide the rate to each
 41 school corporation:

42 (e) (b) For a year in which a school corporation uses money from the
 43 school corporation's capital projects fund to pay for costs described in
 44 section 4(l) of this chapter, the school corporation may impose a
 45 property tax rate that exceeds the rate described in subsection (a). The
 46 amount by which the property tax rate may exceed the rate described in

subsubsection (a) equals the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the school corporation's expenditures under section 4(l) of this chapter for the calendar year.

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) the school corporation's assessed valuation for the year.

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one hundred (100)."

Page 190, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 73. IC 21-3-1.7-7, AS AMENDED BY P.L.246-2005, SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) If a computation under this chapter results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

(1) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001).

(2) All tax levies shall be computed by rounding the levy to the nearest dollar amount (\$1).

(3) All tuition support distributions shall be computed by rounding the tuition support distribution to the nearest cent (\$0.01).

(4) If a calculation is not covered by subdivision (1), (2), or (3), the result of the calculation shall be rounded to the nearest ten-thousandth (.0001).

(b) The department of local government finance, after consulting with the department of education, shall adjust the following each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5 and each time a general reassessment of real property takes effect under IC 6-1.1-4-4 to eliminate the effects of the annual adjustment or general reassessment:

(1) Each school corporation's target general fund property tax rate determined under section 6.8 of this chapter.

(2) Each school corporation's previous year general fund property tax rate imposed for the school corporation's tuition support levy.

(3) The maximum permissible general fund property tax rate computed under IC 6-1.1-19-1.5 for each school corporation.

The adjusted rates shall be used in determining state tuition support and general fund levies in each year beginning with the year in which the adjustment first applies."

Page 192, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 76. IC 33-26-7-1 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~The office of~~
 2 **Subject to the approval of** the attorney general, ~~shall represent~~ a
 3 township assessor, a county assessor, a county auditor, a member of a
 4 county property tax assessment board of appeals, or a county property
 5 tax assessment board of appeals that:

6 (1) made an original determination that is the subject of a judicial
 7 proceeding in the tax court; and

8 (2) is a defendant in a judicial proceeding in the tax court;

9 **may elect to be represented in the judicial proceeding by an**
 10 **attorney selected and paid by the defendant, the township, or the**
 11 **county."**

12 Page 196, between lines 41 and 42, begin a new paragraph and
 13 insert:

14 "SECTION 82. IC 36-1-12-3.3 IS ADDED TO THE INDIANA
 15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. (a) This section applies**
 17 **to a public works project constructed by, for, or on behalf of the**
 18 **Indiana stadium and convention building authority created by**
 19 **IC 5-1-17-6.**

20 **(b) Notwithstanding section 3 of this chapter, the board may**
 21 **purchase supplies and may enter into a contract for the installation**
 22 **of supplies in the manner provided in IC 5-22-10-13.5, when the**
 23 **board awarding the contract for the public work determines in**
 24 **writing that proceeding under this section is in the best interest of**
 25 **the project.**

26 SECTION 83. IC 36-1-12-13.1 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) **Except**
 28 **as provided in subsection (f),** this section applies to contracts for
 29 public work only if the cost of the public work is estimated to be more
 30 than one hundred thousand dollars (\$100,000).

31 (b) The contractor shall execute a payment bond to the appropriate
 32 political subdivision or agency, approved by and for the benefit of the
 33 political subdivision or agency, in an amount equal to the contract price.
 34 The payment bond is binding on the contractor, the subcontractor, and
 35 their successors and assigns for the payment of all indebtedness to a
 36 person for labor and service performed, material furnished, or services
 37 rendered. The payment bond must state that it is for the benefit of the
 38 subcontractors, laborers, material suppliers, and those performing
 39 services.

40 (c) The payment bond shall be deposited with the board. The
 41 payment bond must specify that:

42 (1) a modification, omission, or addition to the terms and
 43 conditions of the public work contract, plans, specifications,
 44 drawings, or profile;

45 (2) a defect in the public work contract; or

46 (3) a defect in the proceedings preliminary to the letting and

1 awarding of the public work contract;
 2 does not discharge the surety. The surety of the payment bond may not
 3 be released until one (1) year after the board's final settlement with the
 4 contractor.

5 (d) A person to whom money is due for labor performed, material
 6 furnished, or services provided shall, within sixty (60) days after the
 7 completion of the labor or service, or within sixty (60) days after the
 8 last item of material has been furnished, file with the board signed
 9 duplicate statements of the amount due. The board shall forward to the
 10 surety of the payment bond one (1) of the signed duplicate statements.
 11 However, failure of the board to forward a signed duplicate statement
 12 does not affect the rights of a person to whom money is due. In addition,
 13 a failure to forward the statement does not operate as a defense for the
 14 surety.

15 (e) An action may not be brought against the surety until thirty (30)
 16 days after the filing of the signed duplicate statements with the board.
 17 If the indebtedness is not paid in full at the end of that thirty (30) day
 18 period the person may bring an action in court. The court action must
 19 be brought within sixty (60) days after the date of the final completion
 20 and acceptance of the public work.

21 **(f) This subsection applies to contracts for a public work**
 22 **entered into by, for, or on behalf of the Indiana stadium and**
 23 **convention building authority created by IC 5-1-17-6. The board**
 24 **awarding the contract for the public works project may waive the**
 25 **payment bond requirements of this section if the board, after**
 26 **public notice and hearing, determines:**

27 **(1) that:**

28 **(A) an otherwise responsive and responsible bidder is**
 29 **unable to provide the payment bond required by this**
 30 **section; or**

31 **(B) the cost or coverage of the payment bond is not in the**
 32 **best interest of the project; and**

33 **(2) that an adequate alternative is provided through a letter**
 34 **of credit, additional retainage, or other sufficient protective**
 35 **mechanism.**

36 SECTION 84. IC 36-1-12-14 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section
 38 applies to public work contracts in excess of one hundred thousand
 39 dollars (\$100,000) for projects other than highways, roads, streets,
 40 alleys, bridges, and appurtenant structures situated on streets, alleys,
 41 and dedicated highway rights-of-way. This section also applies to a
 42 lessor corporation qualifying under IC 21-5-11 or IC 21-5-12 or any
 43 other lease-back arrangement containing an option to purchase,
 44 notwithstanding the statutory provisions governing those leases.

45 (b) A board that enters into a contract for public work, and a
 46 contractor who subcontracts parts of that contract, shall include in their

1 respective contracts provisions for the retainage of portions of payments
 2 by the board to contractors, by contractors to subcontractors, and for the
 3 payment of subcontractors. At the discretion of the contractor, the
 4 retainage shall be held by the board or shall be placed in an escrow
 5 account with a bank, savings and loan institution, or the state as the
 6 escrow agent. The escrow agent shall be selected by mutual agreement
 7 between board and contractor or contractor and subcontractor under a
 8 written agreement among the bank or savings and loan institution and:

- 9 (1) the board and the contractor; or
- 10 (2) the subcontractor and the contractor.

11 The board shall not be required to pay interest on the amounts of
 12 retainage that it holds under this section.

13 (c) To determine the amount of retainage to be withheld, the board
 14 shall:

- 15 (1) withhold no more than ten percent (10%) of the dollar value of
- 16 all work satisfactorily completed until the public work is fifty
- 17 percent (50%) completed, and nothing further after that; or
- 18 (2) withhold no more than five percent (5%) of the dollar value of
- 19 all work satisfactorily completed until the public work is
- 20 substantially completed.

21 If upon substantial completion of the public work minor items remain
 22 uncompleted, an amount computed under subsection (f) of this section
 23 shall be withheld until those items are completed.

24 (d) The escrow agreement must contain the following provisions:

- 25 (1) The escrow agent shall invest all escrowed principal in
- 26 obligations selected by the escrow agent.
- 27 (2) The escrow agent shall hold the escrowed principal and income
- 28 until receipt of notice from the board and the contractor, or the
- 29 contractor and the subcontractor, specifying the part of the
- 30 escrowed principal to be released from the escrow and the person
- 31 to whom that portion is to be released. After receipt of the notice,
- 32 the escrow agent shall remit the designated part of escrowed
- 33 principal and the same proportion of then escrowed income to the
- 34 person specified in the notice.
- 35 (3) The escrow agent shall be compensated for the agent's
- 36 services. The parties may agree on a reasonable fee comparable
- 37 with fees being charged for the handling of escrow accounts of
- 38 similar size and duration. The fee shall be paid from the escrowed
- 39 income.

40 The escrow agreement may include other terms and conditions
 41 consistent with this subsection, including provisions authorizing the
 42 escrow agent to commingle the escrowed funds with funds held in other
 43 escrow accounts and limiting the liability of the escrow agent.

44 (e) **Except as provided by subsection (i),** the contractor shall
 45 furnish the board with a performance bond equal to the contract price.
 46 If acceptable to the board, the performance bond may provide for

1 incremental bonding in the form of multiple or chronological bonds that,
 2 when taken as a whole, equal the contract price. The surety on the
 3 performance bond may not be released until one (1) year after the date
 4 of the board's final settlement with the contractor. The performance
 5 bond must specify that:

6 (1) a modification, omission, or addition to the terms and
 7 conditions of the public work contract, plans, specifications,
 8 drawings, or profile;

9 (2) a defect in the public work contract; or

10 (3) a defect in the proceedings preliminary to the letting and
 11 awarding of the public work contract;

12 does not discharge the surety.

13 (f) The board or escrow agent shall pay the contractor within
 14 sixty-one (61) days after the date of substantial completion, subject to
 15 sections 11 and 12 of this chapter. Payment by the escrow agent shall
 16 include all escrowed principal and escrowed income. If within sixty-one
 17 (61) days after the date of substantial completion there remain
 18 uncompleted minor items, an amount equal to two hundred percent
 19 (200%) of the value of each item as determined by the
 20 architect-engineer shall be withheld until the item is completed.
 21 Required warranties begin not later than the date of substantial
 22 completion.

23 (g) Actions against a surety on a performance bond must be brought
 24 within one (1) year after the date of the board's final settlement with the
 25 contractor.

26 (h) This subsection applies to public work contracts of less than two
 27 hundred fifty thousand dollars (\$250,000). The board may waive the
 28 performance bond requirement of subsection (e) and accept from a
 29 contractor an irrevocable letter of credit for an equivalent amount from
 30 an Indiana financial institution approved by the department of financial
 31 institutions instead of a performance bond. Subsections (e) through (g)
 32 apply to a letter of credit submitted under this subsection.

33 **(i) This subsection applies to the Indiana stadium and**
 34 **convention building authority created by IC 5-1-17-6. The board**
 35 **awarding the contract for the public works project may waive the**
 36 **performance bond requirement of subsection (e) if the board, after**
 37 **public notice and hearing, determines:**

38 **(1) that:**

39 **(A) an otherwise responsive and responsible bidder is**
 40 **unable to provide the performance bond required by**
 41 **subsection (e); or**

42 **(B) the cost or coverage of the performance bond is not in**
 43 **the best interest of the project; and**

44 **(2) that an adequate alternative is provided through a letter**
 45 **of credit, additional retainage, or other sufficient protective**
 46 **mechanism."**

Page 208, line 38, after "the" insert **"financing, construction, acquisition, improvement, renovation, equipping,"**.

Page 208, line 38, after "operation" insert ",".

Page 208, line 39, delete "option" and insert **"adjusted gross"**.

Page 208, line 41, after "the" insert **"financing, construction, acquisition, improvement, renovation, equipping,"**.

Page 208, line 41, after "operation" insert ",".

Page 209, line 1, delete "option" and insert **"adjusted gross"**.

Page 214, line 27, delete "expressed as a percentage".

Page 214, line 34, delete "hundred fifty percent (150%)." and insert **"and one-half (1.5)."**.

Page 216, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 120. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] (a) **As used in this SECTION:**

(1) **"department"** refers to the department of local government finance;

(2) **"maximum levy"** means the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3;

(3) **"municipal growth rate"** means the rate of population growth of a municipality, which equals the quotient expressed as a percentage of:

(A) the remainder of:

(i) the estimated 2006 population of the municipality as determined by the municipality; minus

(ii) the population of the municipality as determined in the 2000 federal decennial census; divided by

(B) the population of the municipality as determined in the 2000 federal decennial census; and

(4) **"municipality"** has the meaning set forth in IC 36-1-2-11.

(b) For purposes of this SECTION, the statewide growth rate is two and six-tenths percent (2.6%).

(c) This SECTION applies to a municipality:

(1) for which the municipal growth rate is more than twice the statewide growth rate;

(2) that experienced a reduction of at least forty-four percent (44%) in its maximum levy for property taxes first due and payable in 2004 as compared to its maximum levy for property taxes first due and payable in 2003;

(3) that did not appeal in 2004 to the department for an excess levy for property taxes first due and payable in 2005;

(4) that appealed before September 20, 2005, to the department for an excess levy for property taxes first due and payable in 2006 in accordance with IC 6-1.1-18.5-14;

(5) that received a favorable recommendation from the local government tax control board, following a public hearing,

with respect to the appeal referred to in subdivision (4); and
 (6) that received from the department on December 7, 2005,
 a denial of the appeal referred to in subdivision (4).

(d) Notwithstanding IC 6-1.1-18.5-3, the maximum levy for
 property taxes first due and payable in 2007 for a municipality
 described in subsection (c) is equal to the sum of:

(1) the ad valorem property tax levy approved by the
 department for the municipality for property taxes first due
 and payable in 2006; plus

(2) two million five hundred thousand dollars (\$2,500,000).

(e) This SECTION expires January 1, 2008.

SECTION 121. [EFFECTIVE UPON PASSAGE] (a) With respect
 to personal property returns for the assessment date in 2006, the
 department of local government finance shall:

(1) notify county assessors and township assessors of the
 requirements of IC 6-1.1-3-9(b), as added by this act; and

(2) by the means the department determines to be
 appropriate, disseminate information to the public
 concerning:

(A) those requirements; and

(B) the requirement under subsection (b).

(b) A taxpayer that fails to include on the taxpayer's:

(1) personal property return under IC 6-1.1-3-7(a);

(2) extended personal property return under IC 6-1.1-3-7(b);

or

(3) consolidated personal property return under
 IC 6-1.1-3-7(d);

for the assessment date in 2006 the information required under
 IC 6-1.1-3-9(b), as added by this act, shall file an amended return
 under IC 6-1.1-3-7.5 to include that information.

(c) This SECTION expires January 1, 2008.

SECTION 122. [EFFECTIVE UPON PASSAGE] (a) This
 SECTION applies to a taxpayer that:

(1) is an entity that was established for the purpose of
 providing youths with the opportunity to play supervised and
 organized baseball against other youths;

(2) before 2002 qualified as a nonprofit corporation under
 Indiana law;

(3) during 2002, 2003, 2004, and 2005 did not maintain its
 status as a nonprofit corporation under Indiana law due to
 the failure to make certain filings;

(4) regained its status as a nonprofit corporation beginning in
 2006; and

(5) was assessed by the department of state revenue for
 delinquent state gross retail taxes owed for 2002, 2003, 2004,
 and 2005 and has paid those assessments.

- 1 **(b) A taxpayer described in subsection (a) is entitled to a refund**
2 **of the payments described in subsection (a)(5) to the extent that the**
3 **state gross retail taxes for which the assessments were made would**
4 **not have been owed if the taxpayer had maintained its status as a**
5 **nonprofit corporation during the years for which the assessments**
6 **were made.**
- 7 **(c) A taxpayer that is entitled to a refund under this SECTION**
8 **shall claim the refund under IC 6-8.1-9 in the manner prescribed**
9 **by the department of state revenue.**
- 10 **(d) This SECTION expires July 1, 2008."**
11 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1001 as printed February 24, 2006.)

Senator KENLEY